

**NOTE:** As provided in LFC policy, this report is intended only for use by the standing finance committees of the legislature. The Legislative Finance Committee does not assume responsibility for the accuracy of the information in this report when used for other purposes.

The most recent FIR version (in HTML & Adobe PDF formats) is available on the Legislative Website. The Adobe PDF version includes all attachments, whereas the HTML version does not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

## FISCAL IMPACT REPORT

SPONSOR: Harrison DATE TYPED: 03/14/03 HB 566/aHTC

SHORT TITLE: Special Plates Supporting Spayed Pets SB \_\_\_\_\_

ANALYST: Hayes

### REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY03	FY04			
	\$0.1	\$0.1	Recurring	Motor Vehicle Division, General Fund
	\$0.1	\$0.1	Recurring	Motor Vehicle Suspense Fund

(Parenthesis ( ) Indicate Revenue Decreases)

\$0.1 = Revenue estimate indeterminate

\*Motor Vehicle Suspense Fund includes local government funds for distribution to various county general funds and roads funds, municipal road uses, and county and municipal general funds.

Relates to various specialty license plates proposed by the House and Senate.

### SOURCES OF INFORMATION

Taxation and Revenue Department (TRD)  
LFC files

### SUMMARY

#### Synopsis of HTC Amendments

The House Transportation Committee amendments to HB 566 involve changing the request for developing a special license plate for supporting spaying and neutering of pets to enacting a description of and requirements for a standardized special registration plate with a logo. All references in the bill to the manufacture of a special license plate supporting spaying and neutering of pets are changed by amendment to read as “a standardized” plate or “a plate with a logo.”

During the 2003 session, approximately 20 license plate bills have been introduced, all requesting MVD to produce a specialty plate for their group or organization. While all such requests are worthy of consideration, the Motor Vehicle Division has neither the staff nor the funding to manufacture all of these specialty license plates. Recognizing this problem, the House Transpor-

tation Committee inserts a new section of the Motor Vehicle Code, Section 66-3-424 NMSA 1978, [NEW MATERIAL] **STANDARDIZED SPECIAL REGISTRATION PLATES WITH LOGOS:**

- A. *Standardized special registration plates with logos may be authorized by statute to show state support for worthy public purposes. The authorizing statute shall provide for collection of fees that, at a minimum, will cover the costs to the division of development, manufacture and issuance of the special registration plates and logos.*
- B. *Standardized special registration plates, on the standardized areas, shall:*
  - (1) *display the colors of the state flag, red lettering on a yellow background;*
  - (2) *display the phrases "New Mexico USA" and "Land of Enchantment";*
  - (3) *provide a space for applying the special registration logo, centered at the left edge of the plate, between the attachment holes, beginning one-fourth inch in from the edge of the plate and having the following dimension: four and one-eighth inches in height and three and one-eighth inches in width; and*
  - (4) *provide a vehicle registration number, to be assigned by the division, that consists of five alphanumeric characters displayed to the right of the special logo area.*
- C. *Special registration logos, except for the standard dimension specified in Paragraph (3) of Subsection B of this section, shall be left to the design discretion of the division, in consultation with the public purpose interest group that requests the special registration plate.*
- D. *Standardized special registration plates with logos, when authorized by statute for a particular public purpose interest group, shall meet the requirements specified in this subsection prior to plate issuance by the division. The public purpose interest group, no later than the effective date of the authorizing statute:*
  - (1) *shall provide evidence acceptable to the division that it will generate a minimum number of prepaid applications as determined by the division for the special registration plate with logo;*
  - (2) *shall provide a prepayment to the division in an amount sufficient to cover the plate and logo cost of the initial order;*
  - (3) *shall provide a sample of the requested artwork design in a format specified by the plate manufacturer for the specialized logo; and*
  - (4) *in cases where the authorizing statute includes revenue-sharing with distribution directed to a particular group or fund, shall show that the recipient is a governmental entity of a fund authorized for the use of a governmental entity.*
- E. *The division may promulgate rules for implementation of the provisions of this section.*

In summary, one standard license plate will be designed pursuant to subsection B above, which will have a 3 x 4 inch rectangular space in the middle onto which a spaying/neutering logo or any other specialized logo can be placed. The group wanting the specialty logo must prepay and guarantee a minimum order. The result will be that more specialty logos can be ordered and

produced without adversely affecting MVD's budget.

Amendment #9 addresses revenue proceeds to MVD. In the original bill, MVD receives \$10.00 of the fees collected per plate sold, however, only in fiscal years 2004 and 2005 only. The amendment strikes the fiscal years limitation, meaning that fee revenue from sales of the logo would be appropriated to MVD in perpetuum, or as long as the specialty logo is produced and sold.

Lastly, amendment #13 addresses the effective date of the bill. It now reads:

*Section 3. **EFFECTIVE DATE.**—Except for Section 1 of this act, the effective date of the provisions of this act is January 1, 2004. The effective date of the provisions of Section 1 of this act is July 1, 2003.*

### Synopsis of Original Bill

House Bill 566 adds a new section to the Motor Vehicle Code to direct the Taxation and Revenue Department to issue a special design license plate to support spaying and neutering of pets. TRD shall adopt procedures regarding application for and issuance of the special license plates.

MVD, with the advice and consultation of animal control offices and animals shelters in communities around the state, shall determine the color and design of the pet care special registration plate.

### **FISCAL IMPLICATIONS**

Of the \$35 fee collected for each pet care special registration plate, \$10.00 shall be retained by MVD in fiscal years 2004 and 2005 to defray the cost of manufacturing and issuing these special registration plates. In FY 2006 and subsequent years, the \$10 will be deposited in the motor vehicle suspense fund for distribution in accordance with Section 66-6-23 NMSA 1978.

The remaining \$25 of the fee will also be credited to the motor vehicle suspense fund. A new distribution formula is created from the motor vehicle suspense fund to the local government division of the Department of Finance and Administration in an amount equal to fees collected pursuant to bill. Once DFA receives the funds, they are distributed to each county to support animal control spaying and neutering programs, in an amount proportionate to the number of residents of that county who have purchased pet care special registration plates.

### **RELATIONSHIP**

Other special "prestige" license plates have been proposed during the 2003 session:

- HB 75, Armed Forces Retirees Special License
- HB 201, Special Plates for Retired Firefighters (duplicate of SB 496)
- HB 378, Special Plates for Retired NM Letter Carriers
- HB 379, Special Plates for Letter Carriers
- HB 520, Special Plates for National Guard Members
- HB 566, Special Plates for Supporting Spayed Pets
- HB 602, Special Plates for Retired NM National Guard (duplicate of SB 622)

**House Bill 566/aHTC -- Page 4**

HB 635, Special Plates for NM Fraternal Order of Police  
HB 656, Special Plates for Wildlife Artwork  
HB 704, License Plates for Civil Air Patrol, New Mexico Wing  
HB 760, Special Commemorative Route 66 License Plate (duplicate of SB 770)  
SB 197, License Plate for Active Duty Servicemen  
SB 210, License Plates for Retired State Police  
SB 211, License Plates for NM Mail Carriers  
SB 493, Special Plates for NM HS Rodeo Association  
SB 496, Special Plates for Retired Firefighters (duplicate of HB 201)  
SB 549, Special Plates for Search and Rescue Members  
SB 622, Special Plates for Retired NM National Guard (duplicate of HB 602)  
SB 693, License Plates for Disabled Veterans  
SB 770, Special Commemorative Route 66 License Plate (duplicate of HB 760)

**CMH/yr**